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UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

In re Wells Fargo Mortgage Discrimination Litigation	Case No. 3:22-cv-00990-JD **DECLARATION OF JOHN R. KELLER**

1   I, John R. Keller, declare:

2   1.   I am a Senior Vice President, Business Execution Director for Wells Fargo Home Lending,

3 a division of Wells Fargo Bank, N.A. I have worked at Wells Fargo for more than 18 years. I have personal

4 knowledge of the matters set forth below and could and would testify competently thereto.

5   2.   CORE is an interactive front-end workflow tool that guides the flow of the loan origination

6 process. It retrieves, stores, and displays information and data (including data from the loan application,

7 certain outputs from the Risk Engine, and final lending decisions). CORE is not an automated

8 underwriting system and it does not make lending decisions. It does not utilize artificial intelligence.

9   3.   The Risk Engine is a technology application that provides information and guidance for

10 credit and operational risk items during the loan underwriting process. It uses data from the applicant's

11 loan application and credit report (which are stored in CORE) to help analyze (based on underwriting

12 policies and guidelines) the applicant's creditworthiness. It also helps team members understand tasks that

13 may be necessary to underwrite the loan and assesses the underwriting authority level required to complete

14 them. Finally, the Risk Engine compares the loan characteristics to the thousands of Wells Fargo-, GSE-,

15 and federal agency-approved eligibility, documentation, and underwriting requirements to help determine

16 if the transaction is within guidelines. It does not utilize artificial intelligence.

17   4.   The Risk Engine performs tasks using three general components: (a) business rules; (b)

18 business services; and (c) data attributes.

19   5.   The Risk Engine's "business rules" are discrete pieces of objective, if-then logic that can

20 answer business questions. They are based on the Wells Fargo-, GSE-, and federal agency-approved

21 eligibility, documentation, and underwriting requirements. For example, Wells Fargo's credit policies set

22 a minimum credit score of 700 for retail, non-conforming, fixed-rate, purchase loans up to $3,000,000.

23 Accordingly, there is a business rule that checks whether that requirement is satisfied (if the customer is

24 applying for that type of loan). As additional examples, there are business rules that implement maximum

25 loan amounts, maximum debt-to-income ratio amounts, and the amount of cash reserves required for

26 particular loan transactions. The Risk Engine currently executes tens of thousands of separately

27 identifiable business rules.

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1   6.   The Risk Engine's business rules are grouped into 16 different "business services" that are

2 used in the loan origination process, including the Get Risk Decision business service, which is the largest

3 business service within the Risk Engine and contains about 10,000 business rules. Get Risk Decision

4 performs several functions within the Risk Engine. It performs various calculations (e.g., loan-to-value

5 ratio). It determines when a proposed transaction should be sent to the GSEs' or federal agencies'

6 automated underwriting systems (Fannie Mae's Desktop Underwriter ("DU"), Freddie Mac's Loan

7 Product Advisor ("LP" or "LPA"), and HUD's TOTAL Scorecard) based on the type of product applied

8 for, communicates with those systems, and receives their responses. Get Risk Decision also applies the

9 existing credit policy and underwriting guidelines that are embedded within the Risk Engine, via the

10 business rules, to the applicant's data (as reflected in CORE), which helps determine the applicant's loan

11 eligibility.

12   7.   In addition, Get Risk Decision creates detailed messaging for underwriters and loan

13 processors to view in CORE based on the business rules (e.g., "escrow for flood insurance is required" or

14 "Mortgage lates are indicated on the credit report. Loan is not eligible for conventional financing.").

15   8.   Other business services within the Risk Engine include (but are not limited to): (a) the "Get

16 All in Price" business service, which prices the loan; (b) the "Preferred Product Offering" business service,

17 which identifies loan products that may be appropriate for the customer and provides easy-to-understand

18 information about the terms, conditions, and costs involved with the transaction so that the customer can

19 make an informed decision about how to move forward; and (c) the "Qualified Mortgage" business

20 service, which is designed to support compliance with the federal Dodd-Frank Act's "ability to repay"

21 requirements.

22   9.   To perform its functions, the Risk Engine uses data stored in CORE, including data from

23 the loan application and credit report. Although the Risk Engine and CORE are distinct technology

24 applications, they do communicate with each other, and some of the outputs provided by the Risk Engine

25 are displayed in CORE for use by the underwriter during the decisioning process.

26   10.   As stated above, CORE is not an underwriting system or an automated underwriting

27 system. It does not underwrite or evaluate applications, make final lending decisions, or place applicants

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1   into Credit Risk Classes. Instead, CORE is the front-end tool that guides the "flow" of the loan origination

2   process. Employees access CORE via computer using their unique log-in information. When a customer

3   decides to move forward with an application, they can complete it online, or a Home Mortgage Consultant

4   ("HMC") can complete the application on the customer's behalf in CORE, using information that is

5   provided by the customer during a face-to-face or telephone interview. CORE contains data fields that

6   correspond to the information that is requested on the paper loan application, also known as the "Form

7   1003." The images below accurately reflect some of the application data fields that are present in CORE:

Image 1: Start Application

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Image 2: Customer and Account Summaries

Image 3: Property Details

Image 4: Credit Report

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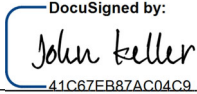CASE NO. 3:22-cv-00990-JD

1   11.   Data from the application fields, along with other data that is collected during the loan
2   application process, are stored in CORE. CORE pushes the appropriate data and sends it to the requisite
3   business service (e.g., Get All in Price, Preferred Product Offering, Qualified Mortgage, Get Risk
4   Decision), where it is applied to applicable business rules and transformed into outputs, or "answers."
5   Those outputs are sent to CORE for use during the underwriting process.

6   12.   An interactive workflow tool—like CORE—that stores customer data from loan
7   applications, makes that data readily available for use throughout the loan origination process, and helps
8   loan processors and underwriters ensure that they are completing all necessary steps of the loan origination
9   process, is essential to the efficient and accurate processing of those applications.

10   13.   The Risk Engine cannot, and is not designed to, identify and evaluate all risk factors or
11   perform every step in the loan origination process. Accordingly, underwriters are instructed that the Risk
12   Engine never supersedes the judgment of the underwriter. Because underwriting is done by human
13   underwriters, the Risk Engine does not eliminate the human component of mortgage lending.

14   14.   Nonetheless, the Risk Engine substantially aids the underwriter (and other Wells Fargo
15   employees involved in the loan origination process) by eliminating the need to conduct certain necessary
16   tasks manually, thereby eliminating the need to either (a) memorize the tens of thousands of business rules
17   necessary to conduct those tasks or (b) separately consult applicable credit policies, pricing sheets,
18   underwriting guidelines, and procedures for each loan application. This includes (1) the identification of
19   loan products that might be appropriate for the customer; (2) pricing the loan; (3) calculating income,
20   loan-to-value ratios, debt-to-income ratios, housing-to-income ratios; (4) identifying, from the thousands
21   of eligibility, documentation, and underwriting requirements, the applicable credit policies and
22   underwriting policies to help determine if the transaction is within guidelines; and (5) determining whether
23   a refinancing transaction provides a financial benefit to the borrower.

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1 I declare under penalty of perjury that the foregoing is true and correct.

2 DocuSigned by:

   John Keller

3 41C67EB87AC04C9

   John R. Keller

4   7/24/2024

5 Executed on July ___, 2024

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DocuSign

Certificate Of Completion

Envelope Id: 79346279F88D481E9E8FD9259D2E8067
Subject: Complete with Docusign: CORE and Risk Engine Business Justification Declaration_(20115088)_(2).DOCX
Source Envelope:

Document Pages: 8	Signatures: 1	Status: Completed
Certificate Pages: 3	Initials: 0	Envelope Originator:
AutoNav: Enabled		Tina Mitchell
EnvelopeId Stamping: Enabled		420 Montgomery St.
Time Zone: (UTC-08:00) Pacific Time (US & Canada)		San Francisco, CA 94104
		Tina.M.Mitchell@wellsfargo.com
		IP Address: 159.45.22.23

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Status: Original	Holder: Tina Mitchell	Location: DocuSign
7/24/2024 12:53:01 PM	Tina.M.Mitchell@wellsfargo.com	

Signer Events	Signature	Timestamp
John Keller john.r.keller@wellsfargo.com Security Level: Email, Account Authentication (None)	DocuSigned by: *John Keller* 41C67EB87AC04C9... Signature Adoption: Pre-selected Style Using IP Address: 159.45.186.43	Sent: 7/24/2024 12:59:01 PM Viewed: 7/24/2024 1:00:18 PM Signed: 7/24/2024 1:01:08 PM

Electronic Record and Signature Disclosure:
   Accepted: 7/24/2024 1:00:18 PM
   ID: f36ec6bc-46dd-42d7-825e-56ae12d61962

In Person Signer Events	Signature	Timestamp

Editor Delivery Events	Status	Timestamp

Agent Delivery Events	Status	Timestamp

Intermediary Delivery Events	Status	Timestamp

Certified Delivery Events	Status	Timestamp

Carbon Copy Events	Status	Timestamp

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	7/24/2024 12:59:01 PM
Certified Delivered	Security Checked	7/24/2024 1:00:18 PM
Signing Complete	Security Checked	7/24/2024 1:01:08 PM
Completed	Security Checked	7/24/2024 1:01:08 PM

Payment Events	Status	Timestamps

Electronic Record and Signature Disclosure

Electronic Record and Signature Disclosure

Last updated: April 26, 2021

You are entitled by law to receive certain information "in writing." However, we may instead provide this information to you electronically with your prior consent. We also need your consent to use electronic signatures. In this consent (the "Consent"), "we," "us," "our," and "Wells Fargo" refer to Wells Fargo Bank, N.A. and any affiliate or subsidiary of Wells Fargo Bank, N.A. "You" and "your" refer to the person agreeing to this Consent.

1. **Scope.** In our sole discretion, we may provide to you, or you may sign, submit, or agree to at our request, certain documents, records, disclosures, notices, communications, agreements, fee schedules, statements, and other information in electronic form through the DocuSign system ("Electronic Records"). We may also use electronic signatures and obtain them from you through the DocuSign system ("Electronic Signatures"). You may receive emails related to the Electronic Records and Electronic Signatures. This Consent applies to any Electronic Records or Electronic Signatures in connection with the signing event on the DocuSign system associated with this Consent (the "Signing Event").

2. **Paper Copies.** We will not send you paper copies of any Electronic Records unless we, in our sole discretion, deem it appropriate to do so. If you desire a paper copy of an Electronic Record, you may: (a) download or print the Electronic Record after the Signing Event; or (b) contact the appropriate customer service unit and request a paper copy, for which we may charge you a fee unless prohibited by law. Any such fee will be disclosed at the time of request.

3. **Your Email Address.** To update your email address before completing the Signing Event: (a) if you arrived at the Signing Event through Wells Fargo Online® or a similar online system, follow the appropriate procedure for that system to update your email address; or (b) if you arrived at the Signing Event through a link in an email you received, please contact the Wells Fargo representative associated with that email.

4. **Withdrawal.** This Consent only applies to the Signing Event, and you will not be able to withdraw this Consent after you have completed the Signing Event. If you do not wish to agree to this Consent, you may decline to continue with the Signing Event.

5. **Software and Hardware Requirements.** To use Electronic Records and Electronic Signatures, you must meet the current minimum DocuSign system requirements, which can be found here: https://support.docusign.com/guides/signer-guide-signing-system-requirements. In addition, you must have:
   o A web browser listed on the Wells Fargo Supported Browsers and Operating Systems page (https://www.wellsfargo.com/help/online-banking/browser-supported);
   o An Internet connection;
   o An active email account;
   o A currently supported version of a program that accurately displays PDF files;
   o A computer or other device and an operating system capable of supporting all of the above;
   o A printer, if you wish to print out paper copies of Electronic Records; and
   o Electronic storage, if you wish to retain Electronic Records in electronic form.

Please indicate you have read, understand, and agree to this Consent by selecting the checkbox next to "I agree to use electronic records and signatures" before clicking "CONTINUE" within the Signing Event.